



IMPLEMENTATION OF THE AFGHANISTAN COMPACT

JOINT COORDINATION AND MONITORING BOARD

Annual Report, 1st May 2007

Kabul, Afghanistan

Annual Report

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INTRODUCTION

1. The Afghanistan Compact of 2006 (1384), endorsed by UN Security Council Resolution 1659 (2006), expresses the common commitment of the **G**overnment of Afghanistan and the international community, represented by over sixty states and inter-governmental organizations, to building a state that provides security and livelihood to all Afghans and that is at peace with its neighbors and the world. Its predecessor, the Bonn Agreement on “Interim Arrangements Pending the Re-establishment of Permanent Government Institutions in Afghanistan” set time-bound goals principally relating to political objectives; the Afghanistan Compact went the next step to integrate the measures needed for security, governance, and economic and social development. The Bonn Agreement expressed a commitment by Afghans to establish a government; the Afghanistan Compact expressed a commitment by that government, now established, and the entire international community, to assure that this government works for Afghans, their neighbors, and the world.
2. Like the Bonn Agreement, the Afghanistan Compact contains time-bound, measurable benchmarks of achievement to energize implementation; and the Compact’s benchmarks cover all aspects of the state building process. These benchmarks are means to a greater end: “to improve the lives of Afghan people and to contribute to national, regional and global peace and security.” The Afghan government will do its part by developing and implementing the Afghanistan National Development Strategy (ANDS), whose high-level benchmarks are those of the Compact as well. The time-bound benchmarks proposed for the Afghanistan Compact in late 2005 (1384) are consistent with the interim-Afghanistan National Development Strategy (I-ANDS) benchmarks. From the outset, the Compact and I-ANDS were designed to reinforce each other, with the Compact ensuring international support for Afghan priorities, and the I-ANDS providing the policies and programs to achieve the high-level benchmarks agreed in the Compact. Through national and sub-national consultations and costed sector strategies, the ANDS will be completed in 2008 . This will fulfill the requirements of Afghanistan’s Poverty Reduction Strategy Paper (PRSP) and the Poverty Reduction and Growth Facility (PRGF). It will also place Afghanistan on a course to achieve its Millennium Development Goals by 2020 (1399).
3. To coordinate the efforts of Afghanistan’s many international partners and monitor progress toward the Compact’s goals, the Compact established the Joint Coordination and Monitoring Board (JCMB), co-chaired by the representative of the President of Afghanistan and the Special Representative of the Secretary General of the United Nations for Afghanistan. The JCMB meets four times a year and issues annual public reports to assure implementation of the Compact and decide on corrective action where needed (see Table 1). The JCMB needs to become a stronger and more flexible “solution body” for all stakeholders in Afghanistan by showing its ability to overcome bottlenecks and challenges in response to needs or changing circumstances. The international community needs to show its support for the JCMB mechanism by using it as the sole coordination body.
4. This first annual report of the JCMB testifies to both how much this partnership has achieved and how much remains to be done. Despite the difficulties of the past year, both Afghanistan and its partners have renewed and increased their contributions in troops, funds, and that intangible but vital resource: political commitment. The Compact commits Afghanistan and the international community only until 1389 (March 2011), but they also promised “to maintain and strengthen that commitment over the term of this Compact and beyond.” The trials of the Compact’s first year have tested - and proven - the validity of that commitment.
5. The Government and its international partners have been working intensively to develop strategies to meet the Compact benchmarks. The ministerial and agency strategies developed as part of the first phase will lead to sectoral strategies, which in turn will be

prioritized, sequenced, and costed. Benchmarks can be divided between “short-life” benchmarks, the deadline for which is early in the Compact’s five-year term, and “long-term” benchmarks that should be met by the end of the term. Among short-life benchmarks: (i) the senior appointment board has been established and the terms of reference are under review by the President; (ii) the Cabinet has recommended that the UN Convention against Corruption be ratified by the National Assembly, which is currently reviewing it; (iii) the benchmark for establishing a functioning National Assembly was achieved; (iv) a review and reform of oversight procedures relating to corruption has been initiated; (v) recognizing that the difficulties in meeting the land registration benchmark, Government has prepared a draft land policy as a first step; (vi) Government is discussing with various donors how to establish a framework for private sector investment in oil, gas, and coal, and the time-line for this benchmark has been extended; (vii) Government has approved the strategic policy framework for water resource management; (viii) a human resource study will be completed by July 2007 (Saratani 1386); (ix) four important commercial laws have come into effect, and four more are being finalized; and (x) an extension of six months has been given to complete the liquidation of non-licensed state-owned banks. A complete update on all short-life benchmarks is provided in Table Two.

6. Among long-term benchmarks: (i) the gross enrolment in schools is estimated to have increased by 12% to 5.4 million students, 35% of whom are girls; (ii) 82% of Afghans now have access to the Basic Package of Health Services (BPHS); (iii) a total of 6,121 Community Development Councils (CDCs) have been established in the past twelve months; (iv) 84% of the ring road network (2,818 km) is open with 59% (1,983 km) paved; (v) the Mine Action Programme for Afghanistan (MAPA) has cleared 132,080,792 sq. meters of land of mines since March 2006 (Hamal 1385); (vi) the Afghanistan Independent Human Rights Commission (AIHRC) has conducted over 700 educational and public awareness events involving over 23,000 people, 7,000 of whom were women; (vii) a National Emergency Operations Center is functioning and a National Disaster Management Plan is being prepared; and (viii) domestic revenues were buoyant and exceeded the revenue target. A complete update on the progress of all benchmarks is provided in Table Three.

7. Actions and decisions from previous JCMBs have focused attention and found solutions to overcome bottlenecks and challenges to Compact implementation: for example, (i) the JCMB mandated the creation of a Task Force to determine appropriate numbers for the Afghanistan National Police (ANP); (ii) a review of the implementation and effectiveness of the programs of the Civil Service Commission has been completed; (iii) a joint Government-donor roadmap for the completion of the anti-corruption strategy has been presented to the Afghanistan Development Forum; (iv) a capacity development strategy has been developed and will be discussed at the Afghanistan Development Forum (ADF); (v) the Election Working Group has been established, and its report has been submitted for this meeting; (vi) the Inter-Ministerial Commission on Energy has been established and has improved energy coordination throughout Afghanistan, particularly with North-East Power Supply; and (vii) the Ministry of Finance (MoF) has developed an aid coordination framework that will better capture donor flows and provide for more predictable budgeting. A detailed report regarding all actions and decisions from previous JCMBs is included in Table One of this report.

SECTION ONE: THE YEAR IN REVIEW

8. The successes of and obstacles to Afghanistan’s development were visible in 1385 (2006/2007). After a year of Compact implementation and the JCMB process, many sectors show signs of progress. The combined efforts of the Afghanistan National Army (ANA) and international forces have displayed renewed determination in dealing with instability and creating an environment conducive to development across Afghanistan. The newly elected parliament held its first sessions and engaged in vigorous oversight of presidential appointments; a record number of children attended school; infant and child mortality fell, and life expectancy lengthened; the economy continued to grow; the vigorous new media

and telecommunications sectors expanded; and Afghanistan joined the South Asian Association for Regional Cooperation (SAARC). At the same time, rising attacks by anti-government elements, corruption, and a record production of illegal opiates threatened the fragile basis on which all these achievements stand.

9. As Afghanistan and the international community enter the second year of implementation of the Afghanistan Compact, the major question is how to move from Compact to impact, from an agreed document to tangible improvements in the lives of Afghans. The Compact expresses commitments to provide inputs: “The Afghan Government hereby commits itself to realising this shared vision of the future; the international community, in turn, commits itself to provide resources and support to realise that vision.” Many of the benchmarks are defined by outputs: how many soldiers and police trained, schools built, or laws passed. But the real test is not in meeting benchmarks for outputs but in achieving the outcomes identified in the Compact itself: “to improve the lives of Afghan people and to contribute to national, regional and global peace and security.”

10. The security pillar demonstrates the potential gap between outputs and outcomes. The Afghan National Army reached a strength of 37,015 with an additional 12,044 in training, transit, hospital or studies. and international security partners of Afghanistan provided more troops than ever, reaching a total of 43,000 (Source: ISAF/Coalition). Reform of senior ranks of the Ministry of the Interior (MoI) and formation of the Afghan National Auxiliary Police (ANAP) began. But security in some areas deteriorated. The number of fatalities and other casualties inflicted by terrorist elements on Afghan civilians and security forces and on international military and civilian personnel was higher than in any year since the establishment of the Interim Authority in 1380 (2001/2002). Anti-government groups demonstrated their ability to engage in increasingly coordinated guerrilla warfare in the southern and southeastern regions of the country. Though the Government and its international partners have maintained a dominant advantage militarily, the extremist tactics of the terrorist groups continue to spread fear in an embattled civilian population (please refer to the UN Secretary-General Report of 15 March 2007 in Annex III). Without an improvement in the security situation, disaffected parts of the Afghan population can become a fertile source of new anti-government recruits. At the same time, evidence suggests that the anti government groups operating in Afghanistan appear to maintain networks and draw on resources and tactical training from other non-state, criminal groups from within the region. The number of suicide attacks, unknown in Afghanistan through previous decades of war, increased five-fold over the previous year and claimed the lives of senior officials, including the Governor of Paktya province. The head of the Kandahar Department of Women’s Affairs was assassinated by a gunman.

11. A record number of poppy fields were eradicated, the Counter-Narcotics Police (CNP) was formed, and the Counter-Narcotics Trust Fund (CNTF) was established and funded. Yet, according to the UN Office on Drugs and Crime (UNODC), the amount of land under opium poppy cultivation increased by 50 percent and the production of raw opium by 40 percent, leading to a record harvest. Preliminary surveys indicate that this year the level of production will be even higher. Thousands of tons of precursor chemicals were imported into Afghanistan to refine the opium into higher-value products such as heroin, increasing the volume of black money corrupting officials and financing terrorists and criminals. The largest increases took place in provinces with the highest level of anti-government activity, while drug cultivation declined in provinces where security and development had begun to take hold.

12. Security: As noted, both Afghan and international troop strength increased; but, the effort to reform a Ministry of Defense (MoD) preoccupied with a security crisis slowed. Across Afghanistan last year, the number of road-side bomb attacks almost doubled, direct fire attacks on international forces almost tripled, and suicide bombings grew almost five-fold. The Afghan National Police expanded, but the quality of the police remains in question.

In the face of increased threat from anti-government elements, the Disbandment of Illegal Armed Groups (DIAG) slowed. Implementation of a comprehensive counter-narcotics policy (CNP) began, but narcotics production grew. Implementation of the CNP revealed a gap of implementation between eradication, which was carried out more extensively, and alternative livelihoods and interdiction, which lag. The rising security threats overrode concerns for sustainability, and raised the question whether the institutions needed to confront the current level of threat can be sustained over the long term.

13. Governance, Human Rights, and Rule of Law: In this sector too, outputs were not matched by outcomes. Rule of law remains precarious, governance is fragile, and the judicial system is ineffectual and inaccessible. The National Assembly met, enacted internal regulations, confirmed needed appointments, and began legislating, all major achievements. The relevant institutions prepared comprehensive strategies for reform of the legal and judicial system. The government formulated a legislative agenda for the National Assembly, which passed some needed codes, but which still constitutes a bottleneck to the enactment of laws. The law drafting department of the Ministry of Justice (*Taqnin*) is overburdened. Much work remains on Priority Administrative Reform, which needs high-level political commitment if institutions like the newly established senior appointments advisory board are to function. Work continued or began on the census, statistical base, and land registration. The Independent Electoral Commission proposed a reform of the electoral law, which is under review by the Ministry of Justice (MoJ). An anti-corruption strategic road map was drawn up, but corruption continued to flourish. According to the UN Secretary-General, "lack of security remains the greatest challenge to the enjoyment of human rights in Afghanistan." In the last quarter alone, according to ISAF, violence by anti-government elements led to an estimated 134 civilian fatalities. The President launched the Action Plan on Peace, Reconciliation and Justice previously approved by cabinet. Some stakeholders have expressed concern about the subsequent National Reconciliation law passed by the National Assembly, which in their opinion intended to provide amnesty for past violations; the bill's final version preserves the right of victims to seek justice. While women now play an unprecedented role in public life in Afghanistan, there was little progress in the past year, and some retrogression in the face of anti-government elements that targeted women officials and girls' schools.

14. Infrastructure and Natural Resources. Despite measurable progress, Afghans remain frustrated with the slow pace of infrastructure construction. While more roads were built, there were gaps in funding for transport and inadequate provision for maintenance. The privatization of Ariana Afghan Airlines has not started. The supply of electric power increased through the purchase of generators for Kabul and power from neighboring countries, but transmission and distribution capacity lags behind supply. The government has nearly finished the strategic framework for water management. Information and communications technology remains a success story, producing USD 55 million in revenue for the government. The continued lack of a clear legal framework hindered investment in mining and other natural resources. The relevant institutions agreed on a division of labor in the area of urban development, but there was little progress on the key issues of land rights, water, statistics, housing, and private sector investment.

15. Education. The number of students enrolled at all levels reached historic highs, while security threats closed 35 percent of schools in the southern provinces. A record (though still insufficient) number of secondary school graduates faced a bottleneck in the limited places for tertiary education. The country needs to invest in teachers' colleges and technical vocational schools. The rapid expansion of education placed strains on the already compromised quality of studies. The media sector expanded dramatically, but gave rise to a reaction as some challenged the new freedom of expression.

16. Health: Despite some geographic gaps in coverage due to insecurity, this sector is a success story. The Basic Package of Health Services (BPHS) is available in administrative

units including 82% of the population. Immunization expanded, and data on public health improved, preliminary results show dramatic improvement in infant and child mortality and life expectancy over the past five years.

17. Agriculture and Rural Development: The government has now established 17,318 Community Development Councils, representing 26,742 villages, or 70% of the estimated 38,000 villages in Afghanistan. In recognition of the need for coordination between the Ministry of Agriculture, Irrigation and Livestock (MAIL) and the Ministry of Rural Rehabilitation and Development (MRRD), government agreed to use the CDCs as delivery mechanisms throughout the rural economy. Thus far there has been little investment in agribusiness. Progress in agriculture requires reforms of land tenure and improved access to finance. Both land tenure and finance are now dominated by poppy cultivation. Alternative Livelihood Programs expanded, but are not yet effective enough. However, new integrated initiatives are underway to increase productivity in this sector.

18. Social Protection: Afghanistan continued to require humanitarian aid due to drought and conflict-related displacement, but 9,000 internally displaced persons were resettled. The government established fifty townships for returning refugees, but plans for further repatriation from neighbouring countries threaten to strain capacities. Disaster management capacity improved. At the same time, Afghanistan's large population of vulnerable groups continue to suffer from the effects of extreme poverty and decades of war.

19. Economic Governance and Private Sector Development: Growth of the licit economy slowed to a more sustainable 8% from the previous year's 14%. Domestic revenue reached 6.5% of GDP in 1385 (2006-07), but its low level still inhibits public investment. A number of laws passed intended to improve the environment for private sector development, but investors complained of extortion and kidnappings, as well as the endemic problems of power, clarity of land ownership, and corruption, none of which improved noticeably over the past year. Afghanistan signed a number of regional cooperation agreements, while finding that it lacks the capacity to fulfill many of the commitments in the agreements. The Government continued to express concerns about the effectiveness and coordination of international assistance, in accord with the provisions of Annex II of the Compact, and has prepared a paper providing guidance on how to improve aid effectiveness.

20. Regional Economic Cooperation: Focus continued to be placed on regional economic cooperation as an important mechanism for ushering in greater economic development, with potential for leading to enhanced peace and stability in the region. The Government took significant initiatives for forging business and trade linkages in vital fields viz electricity, transit, infrastructure, water, irrigation, education and health with the economic partners in the region. India hosted and co-chaired the second Regional Economic Cooperation Conference on Afghanistan in New Delhi in November 2006 (Aqrab 1385) to stimulate regional collaboration and integration, and the third such conference will be held in Islamabad, Pakistan. Afghanistan was formally admitted as the eighth member of the South Asian Association of Regional Countries in April 2007 (Hamal 1386).

21. Afghanistan remains one of the most conflict-torn and impoverished countries in the world, but it has started a process of transformation. Both the forces of destruction and the forces of construction advanced over the past year. Significant obstacles and problems are to be expected in a country whose devastation over three decades of war exceeded all estimates. Whether the forces of construction can outpace those of destruction depends on moving from Compact to Impact.

22. During the past year the JCMB helped resolve a number of problems, in particular the problem of the supply of electricity to Kabul city, though this still requires urgent attention. The overall performance of the economy continued to improve, as described in Annex II, but the conditions for creation of a vibrant private sector still lagged. The creation of

employment is an immediate and long-term necessity that will affect all areas discussed below.

SECTION TWO: ISSUES FOR JCMB V ATTENTION

- **Security** – insecurity particularly in the South and South-East of the country, prevents sustainable development and diverts attention and resources from comprehensive security sector reform.
- **Governance and Strengthening Capacity** – governance continues to demand unwavering effort and attention. Difficulties persist in implementing reform at both central and provincial levels. *Improving sub-national capabilities* remains essential - a costed strategy is needed that would, in a specified period, improve public service delivery and rule of law enforcement across all 34 provinces. The roadmap for a *National Anti-Corruption Strategy* is complete, but the time-frame for meeting specific components of the Compact benchmark needs revision. Success in the fight against corruption and impunity is important to maintain the support of the electorate for the political system that has emerged after the Bonn Agreement. The JCMB welcomes the road map and commits to an early implementation of those actions that can take place before the development of a national strategy. Success in developing the government's capacity is essential to sustaining the progress that has been made. The government also needs to take serious measures to increase domestic revenues, which is vital for fiscal sustainability.
- **Narcotics** – record-high opium poppy harvest is expected for a second year in a row, underscoring the need for innovative and urgent new measures to improve implementation of the National Drug Control Strategy.
- **Elections** – streamlining the electoral calendar, using the National Civil/Voter Registry pilot project to make an informed decision about the best way to put in place a feasible, affordable, and sustainable voter registry and fulfilling other electoral requirements for the 2009 (1388) election(s).
- **Refugees** – the potential for a renewed surge in Afghan returnees prompts the need to re-examine the country's ability to absorb returnees.

Security

23. In response to increased insecurity in the South and South-East of the country, the Government established the Policy Action Group (PAG) in June 2006 (Jawza 1385). In January 2007 (Jaddi 1385) the Government articulated a three-part strategy, with political and development initiatives intended to complement ongoing military engagement involving Afghan and international security forces. A fragile security situation threatens development across the country, and it places at risk the achievement of many Compact benchmarks. Though Afghan and international security forces have enjoyed relative successes in forestalling a spring offensive by anti-government forces that has not materialized, they must be prepared for further tests of strength this summer. Beyond this year, those contributing troops to ISAF or the Coalition need to make clear to both Afghans and others in the region the long-term nature of their commitment. The JCMB must further reinforce a comprehensive approach to find a resolution to the conflict. Ending the armed conflict will require stronger and better governance in affected areas, conducting operations against anti-government elements with fewer civilian casualties, increased regional cooperation to shut down insurgent leadership and training facilities outside the country and to stop cross-border infiltration, and political discussions to accommodate the broadest possible range of Afghan views within the current system.

24. As the Compact notes, "Security cannot be provided by military means alone. It requires good governance, justice and the rule of law, reinforced by reconstruction and development." As part of its security effort, therefore, the Government intends to reach out to all Afghans, provide essential public services, and assert its authority across the country. Directly

confronting issues of illicit drugs and the disarmament of illegally armed groups in the coming year are particular Government activities that require joint effort with international partners. Counter-narcotics remains the most important cross-cutting issue for joint action by the Government and international community, especially as narcotics trafficking is linked increasingly to support for anti-government elements and depends crucially on organization, financing, and supplies from outside the country. Counter narcotics needs to be mainstreamed across all sectors and implemented by both the GoA and its international partners. After a comprehensive review a new Disbandment of Illegal Armed Groups (DIAG) action plan was endorsed by the President in February 2007 (Dalwa 1385). The Government of Afghanistan and the international community must redouble their efforts to implement the plan. The perceptions of insecurity and delays in preparing a DIAG Action Plan have contributed to a more uncertain environment that could threaten the implementation of the DIAG benchmark.

25. Cross-border cooperation is an important element to tackle the issues that help to fuel anti-government activities. Further attention is needed to strengthen: i) the Tri-partite Commission dialogue; ii) the important work of the Independent National Commission on Strengthening Peace; and iii) efforts to find a solution to the conflict through the forthcoming Regional Peace Jirga and cooperation with the 1267 Committee. All solutions to these issues should be consistent with good neighborly relations with all states in the region and the welfare and interests of the people living on both sides of the border.

26. Over the long-term, lasting peace and security in Afghanistan can only be maintained through professional and financially sustainable security institutions under democratic, civilian control. In addition to the ongoing efforts to reform the Ministry of Interior (MoI) and policing at all levels, greater attention is required to strengthen their institutional capacity at the strategic level, especially in the areas of resource management and administrative practices. An international partner, or a group of donors who can coordinate their support, is needed urgently to assist the MoI in planning, coordination, monitoring and implementation as well as regularly reporting on all activities, including civil administration. The current number and professionalism of the police also remains insufficient to address existing domestic law and order needs. In order to address personnel shortages partners should investigate the current problems of desertion and lack of payment to prepare a further discussion on whether maximum numbers need to be increased. This deliberation should be informed by an assessment by the Ministry of Finance of the long-term financial feasibility of such expansion.

27. Both the Ministry of Defense (MoD) and the Ministry of Interior (MoI) require modern equipment to ensure sufficient national capabilities. The JCMB will mobilize international assistance to identify and resource the immediate requirements of the Afghanistan National Army (ANA) and the Afghanistan National Police (ANP)/Afghanistan Border Police (ABP)/Counter Narcotics Police (CNP). Additional technical assistance is also required in the MoD and the MoI to present plans of the structure they ultimately seek to establish to focus efforts of all stakeholders.

28. A step forward was achieved at the recent JCMB IV meeting in Berlin, when the international community responded positively to the Government's call for increased efforts to *Afghanise* its security response through the ANA, the ANP, and the Afghan National Auxiliary Police (ANAP), in close cooperation with ongoing international security assistance. In turn, the Government reiterated the commitment of the Afghan people to defend their country. Modeled on the MoI task force, the MoD should establish a task force to examine the financial sustainability, quality, and quantity of the ANA.

Elections

29. According to the Afghanistan Compact, the Independent Electoral Commission (IEC) must have the integrity, capacity and resources to undertake elections in a more fiscally sustainable manner by end-1387 (20 March 2009). At the JCMB IV meeting in Berlin, discussion focused on the electoral calendar. Currently, the Constitution requires presidential elections every five years, Wolesi Jirga elections every five years, provincial elections every four years and district councils every three years. According to the electoral calendar set forth in the Constitution, 95 elections would be held over the next 60 years, a politically and financially unsustainable prospect.

30. An immediate concern is the cost of upcoming elections. Because the presidential and Wolesi Jirga elections were held separately, their terms will not be concurrent in the future. The current electoral calendar would require elections to be held in approximately six out of each ten years. Efforts to harmonize such elections in the future need to be launched in order to create a fiscally sustainable electoral cycle. As stated in the Compact, the Government is expected to contribute, to the extent possible, to the cost of future elections (the next electoral cycle, not counting district elections, is estimated to cost USD 140-150 million). However, the draft Mid-Term Fiscal Framework (MTFF) does not make any reference to this expense. The electoral system will also impact the costs of future elections and due consideration is needed to make sure that the electoral system of choice is feasible, sustainable and cost effective.

31. To ensure that elections proceed in a timely, efficient and cost effective manner, electoral preparations must include: (i) expansion of the IEC at the provincial level, (ii) building the capacity of IEC staff to undertake upcoming elections, (iii) ensuring the passage of an appropriate electoral law, and (iv) having a civil voter registry (CVR) in place. The election law will define what information must be included in the registry. The CVR pilot project provides an opportunity to assess whether the model being tested is necessary and feasible for future elections. Alternative registration models should be offered if it appears the CVR model is not feasible.

32. As specified in the Constitution, the next Presidential elections are scheduled for March-April 2009 (Hamal 1388), which could pose major operational, logistic, communications, and security challenges for the IEC. This is also likely to shorten the time-frame available for completion of the national CVR project, which must be completed at least six months prior to an election. This is a daunting challenge given the limited capacity now available within the civil administration pillar of the Ministry of Interior, which is the principal implementing partner for the national CVR project. The election related time-frames in the Afghanistan Compact therefore merit immediate review and possible revision. The rationalization of the electoral cycle may require future Constitutional changes, as well as the National Assembly's adoption of an electoral law embodying a fiscally-sustainable electoral system.

Governance

A. Public Administration Reform

33. The success of current governance reforms requires continued JCMB oversight of key issues. Though the Special Consultative Board for Appointments in High-Ranking Government Posts was set up by Presidential Decree on September 16, 2006 (25 Sonbola 1385), thus meeting the requirements of the Compact, the Board itself is yet to be operationalised. The Board must be structured so that it does not prevent the President from making urgently needed appointments. There is a need to finalize its Terms of Reference and set up a mechanism through which the already committed donor funds could flow in support of the Board. There is also the need to monitor the performance of recent appointees, and government officials, holding them to a standard of high-quality performance. Critically the reform of the Mol's civil administration branch needs the attention of both the government and the international community. The civil administration side

oversees the functioning of the offices of provincial governors and district administrators, the cutting edge of the government. Improving civil administration requires the development of policies, processes and capacities, referred to in detail separately. According to the review of the Independent Administrative Reform and Civil Service Commission (IARCSC), efforts are required to increase its effectiveness and credibility. Strengthening the IARCSC will require invigorated leadership, additional resources and clear strategies to improve the performance of its responsibilities for appointments, capacity-building and administrative reform.

B. Anti-Corruption

34. In accord with the Compact benchmark on anti-corruption, determined steps were taken by the Government and National Assembly with the aim of ratifying the United Nations Convention against Corruption (UNCAC) by the end of 1385 (March 2007). After careful evaluation by relevant ministries, the Cabinet recommended ratification in November 2006 (Aqrab 1385). The UNCAC is now under review by the National Assembly. At the Anti-Corruption Conference, held on 29 and 30 November 2006 (8-9 Qaws 1385), representatives of the National Assembly signed the "Kabul Declaration On Anti-Corruption", committing themselves to "*ratify the United Nations Convention against Corruption without delay, so as to hasten its becoming part of the law in Afghanistan*". The National Assembly has recently sought clarification and an improved translation from the Ministry of Justice *Taqnin* (Legislative Department of the MoJ).

35. An assessment is under preparation on the national legislation required to meet UNCAC obligations, after which laws on preventive measures against corruption will be prioritized. Since January 2007 (Jaddi 1385), the *Taqnin* has conducted consultations about the 2007 (1386) legislative work plan with national and international members of the Law Reform Technical Working Group. Specifically, by the end of 2007 (mid-1386), the *Taqnin* will complete a Law on Extradition and other forms of international legal cooperation. During the coming year, members of the Law Reform Technical Working Group will also provide technical assistance and advisory services to the MoJ. A key aim is to review provisions of the 1976 (1355) Penal Code. Finally, the Anti-Corruption Law, the Procurement Regulation, the Local Administration Law, the Laws on the Organization and Authority of the Supreme Court and Attorney General's Office, among other new laws, will be introduced in 2007 (1386) and will constitute additional steps toward meeting UNCAC and Compact obligations. Further steps will be required to update and simplify Afghanistan's administrative laws and regulations.

36. Some of the key constraints facing the achievement of the Compact benchmark on anti-corruption include: (a) Poor coordination amongst government institutions, and the lack of clarity about their respective roles and responsibilities; (b) Concerns regarding the lead agency on anti-corruption General Independent Administration Against Corruption (GIAAC); (c) The slow disbursement of committed donor resources to anti-corruption support activities; (d) Weak technical capacity, coupled with an excessive workload within the *Taqnin* and the National Assembly, which may inhibit progress toward the second component of the Compact benchmark, legislation compatible with UNCAC; and (e) gaps in criminal and administrative laws.

37. Some recent efforts to prepare an anti-corruption strategy include: (a) A joint Government-donor paper — "Fighting Corruption in Afghanistan: A Roadmap for Strategy and Action" — has focused efforts toward the preparation of a National Anti-Corruption Strategy in 2007 (1386); (b) The High-Level Commission Against Corruption has nearly finalized a comprehensive analysis of the causes of corruption in government ministries. The assessment also provides short and long-term recommendations aimed at preventing and combating corruption; and (c) introductory training programs have been carried out on the UNCAC.

38. Given that anti-corruption and its associated benchmark is a cross-cutting issue, the national anti-corruption strategy must concentrate technical, financial, and political resources across all sectors to achieve meaningful reform. Close linkages, in particular, with counter-narcotics efforts shall be established in 2007 (1386). Efforts are underway to establish a national monitoring mechanism for UNCAC. Nevertheless, clear responsibilities for one public institution to lead the monitoring mechanism's development have not been agreed upon, nor have the requisite resources been allocated for this complex task.

C. Sub-National Capabilities

39. Strengthening the capability of sub-national governing units will improve the quality of public service delivery and enhance the rule of law in the country's 34 provinces. A perceived lack of visible improvements in the quality of life of many Afghans stems from deep-seated institutional impediments in sub-national governance structures. Capacity gaps at the sub-national level are widely recognized. But what is less well understood is the lack of clarity on rules, functions, relationships, and resource allocations for various governance entities outside of Kabul, including provinces, districts and municipalities. In recent years, the government has moved to change the framework, creating various mechanisms and innovations. These have included the establishment of Provincial Development Committees (PDCs), District Development Assemblies (DDA), and Community Development Councils (CDCs). In addition, important sub-national initiatives involve the piloting of provincial budgets in Kandahar, Panjsher, and Balkh provinces. Forthcoming ANDS Sub-National Consultations will contribute to strengthening capacities for planning in the provinces and will contribute to wider efforts to improve sub-national governance. These efforts should address the development of a sub-national administrative framework and policy within the ANDS framework.

40. At present, there is a need for greater clarity on the role of provincial administration, especially in relation to planning, budget execution, and service delivery. The amended Provincial Councils Law has been signed, but only time will show if it is able to establish both clear accountability mechanisms and a constructive relationship between the executive branch and the Provincial Councils. The exact substantive scope and operating procedures of the PDCs is unclear, and the link between the PDCs and DDAs is ill-defined. While the connection between provincial development plans and national strategies and budget should be clarified once provincial budgeting is established, the ability of provincial authorities to access donor funds directly remains an issue. In addition, the role of the Governor in overseeing development planning, implementation, and security (police oversight) processes is uncertain.

41. Public administration reform at the provincial level has been a limited exercise, with financial considerations a constraining factor precluding a national rollout. The problem is compounded by the fact that in most provinces, the influence of the Civil Service Commission (IARCSC) is weak in terms of capacity development and the monitoring of appointments. It is particularly difficult to recruit people to serve in high-risk positions in provinces where anti-government elements are active. As part of the Compact benchmark on Financial Management, an additional set of indicators is needed to strengthen civil administration. These would serve (1) to refocus coordinated donor efforts on long-term institutional changes necessary in civil administration reform, and (2) to assist co-ordination efforts undertaken in the implementation of these strategies. To further integrate the efforts of Provincial Reconstruction Teams (PRTs) and other sub-national actors within the execution of Provincial Development Plans under the ANDS framework, the existing Government-international community Sub-National Governance Working Group in Kabul should serve as a catalyst for ensuring Government-led coordination in the provision of essential services and law enforcement at the provincial and district levels. Provincial Development Plans (PDPs) have become important tools for development of the ANDS, but

they should be developed in such a way so as not to give people of the provinces expectations that all projects listed as desirable in the PDP will be funded and implemented.

Counter-Narcotics

42. Afghanistan's development remains under threat from the consolidation of drug trafficking networks, with links to international criminal cartels, anti-government elements, and, according to many accounts, individuals at various levels of government. The continued growth of poppy cultivation provides these networks with the raw material they need for their illicit profit, but counter-narcotics policy must treat the vast majority of poppy farmers as victims of poverty, conflict, and crime and provide them with security and assistance in order to win their loyalty against the state's real enemies: traffickers, corrupt officials, and anti-government elements. To this end, alternative livelihood programs must be expanded and implemented more effectively, including in areas affected by armed conflict. Nationwide implementation of the National Drug Control Strategy (NDCS) has been uneven, and particularly unsuccessful in southern Afghanistan. While powerful symbiotic relationships between drug trafficking networks and anti-government elements in the South are fuelling the conflict, there has been little progress in interdicting or arresting major drug-traffickers. The JCMB welcomes the decision by the Security Council to include major drug traffickers on the sanctions list maintained pursuant to Security Council Resolution 1267 and urges speedy implementation of this measure. There has been little or no international action against either major traffickers outside the country or those who manufacture and smuggle into Afghanistan thousands of tons of precursor chemicals every year. Seasonal eradication activities suffer from manipulation by local power-brokers and are not yet fully coordinated with timely post-eradication assistance to farmers, with many implementing agencies unable to operate in current conditions of insecurity. The varying regional context of opium poppy cultivation requires that action across the eight pillars of the NDCS be geared to the local context. This will require more effective programme delivery. While the bulk of opium poppy cultivation remains concentrated in the South, improved security in the North has led to a decrease in poppy cultivation there. Best practices from certain areas in both the North and East deserve to be assessed and replicated elsewhere in the country. The JCMB welcomes the establishment by the Counter-Narcotics Trust Fund (CNTF) of the Good Performance Fund (GPF) to reward provinces that reduce their poppy cultivation, but these incentives should be expanded above their current ceiling of only USD 500,000 per province per year. The disbursement of funds from the CNTF needs to be accelerated and the process simplified. At the same time, counter-narcotics efforts need to be aligned more closely than ever with security, governance, rule of law and development initiatives. To improve implementation across all pillars of the National Drug Control Strategy (NDCS) and mainstream counter-narcotics efforts across Afghanistan, renewed political attention and policy initiatives are needed from both the Government and the international community.

Refugees

43. Afghan refugees in neighbouring countries currently total approximately three million (UNHCR), two-thirds of whom are in Pakistan. Approximately 80 percent of this refugee population has remained outside Afghanistan for more than twenty years, and half have been born in exile. Almost 97 percent of Afghans in Iran live in towns and cities; in Pakistan the figure is 60 percent. These factors present many challenges for future return and reintegration programs.

44. Refugees in Pakistan are largely from Afghanistan's border regions, currently the focus of on-going military operations. Refugees in Iran originate from Afghanistan's northern, western and central provinces, including the poorer upland areas. Their main preoccupations concerning return and reintegration are social and economic.

45. Due to their long exile, cultural, linguistic, social and religious affinities, Afghans have

assimilated into their host communities with little difficulty. The presence of large refugee populations in the neighboring countries has contributed to the growth in unregulated cross-border movements. These are now largely normalized, and there are fewer practical distinctions between refugees and migrants. They are associated with the growing volume of trade, the seasonal search for employment opportunities, and strong family and social networks.

46. The Government of Pakistan's intention to close four Afghan refugee camps was announced, in February 2007 (Dalwa 1385), at the Tripartite Commission (UN High Commissioner for Refugees (UNHCR), Afghanistan, and Pakistan) meeting on the voluntary repatriation of refugees in Islamabad. Close to a quarter of a million refugees in these camps have been offered the option of repatriation to Afghanistan or relocation to designated sites within Baluchistan and the Dir and Chitral districts of the North-West Frontier Province. The total number of refugees opting to return is uncertain. The Government of Iran has also offered incentives for Afghan refugee repatriation. The renewal of its Tripartite Agreement (between UNHCR, Afghanistan, and Iran) in 2007 (1385) included a repatriation target figure of 200,000, increased cash grants, and the offer of work and residence permits to those Afghans who first return to Afghanistan to settle their families.

47. The Government of Afghanistan's Tripartite Agreements with Pakistan, Iran, and UNHCR are based upon voluntary return, and the accompanying principles of gradualism, dignity, and safety. The JCMB calls on the parties to ensure these agreements remain central to repatriation efforts, as they provide the best guarantee of sustainability.

48. Compact benchmark 7.5, to which Afghanistan's neighbors have agreed, highlights the voluntary nature of refugee repatriation. Benchmark 7.5 also underscores the importance of an enabling environment to absorb returnees. The provision of housing and related infrastructure, education and health facilities, and employment opportunities are crucial for an orderly and sustainable return and reintegration strategy—the absence of which will strongly discourage further Afghan repatriation from asylum countries.

49. The Compact also refers to regional cooperation goals between the Government of Afghanistan and its neighbors. Benchmark 8.5 highlights the desirability of cross-border labor flows, including opportunities for Afghans to seek employment in neighboring countries. In this context, the Government of Iran's linkage between repatriation and the provision of work permits is a constructive step towards the resolution of both returnee and unregulated labor migration issues.

50. The possibility of greater returnee numbers to Afghanistan should be approached from various perspectives, including the need to enhance the Government's ability to absorb and reintegrate returnees with reasonable expectations of success and dignity. Relocating refugee populations within asylum countries is likely to have humanitarian and security consequences, especially in unstable areas.

51. In keeping with the multilateral approach that has guided returnee issues, it is reasonable to expect that enhanced coordination and cooperation will satisfy the requirements of the Islamic Republics of Afghanistan, Pakistan and Iran.

SECTION THREE: DECISIONS AND ACTIONS

Noting the discussion in the previous two sections, the JCMB decides:

SECURITY PILLAR

1. Security

- 1.1 The ANP will be allowed to temporarily increase above the 62,000 ceiling, to a maximum of 82,000, and will be reviewed on a 6-monthly basis. The Law and Order Trust Fund of Afghanistan (LOTFA) will aim to provide funding for salary levels broadly equivalent to the ANA and based on verifiable present/for-duty strength data. Funding from LOTFA is conditional on assurances that police will not be involved in any military or combat operations. The final ceiling for ANP personnel will be determined by the Government based on a fiscally sustainable policing plan after study by the JCMB of the current problems of payment and recruitment and the long-term fiscal consequences of various options.
- 1.2 The Government of Afghanistan and the UN will work together to ensure that a responsible body is identified to oversee Mine Action activities, and the transfer of authority from the UN Mine Action Center in Afghanistan (UNMACA) to this organization by September 2007 (Sonbola 1386). The JCMB recommends that the Government resolves the anti-personnel mine stockpile issue to meet its Ottawa Convention (Mine Ban Treaty) obligations and achieve the Afghanistan Compact benchmark.
- 1.3 The timeline of the Disbandment of Illegal Armed Groups (DIAG) benchmark will be reviewed, and options and recommendations for its strengthening will be presented to JCMB VI.
- 1.4 A taskforce should be established to examine the financial sustainability, quality, and quantity of the ANA and report to JCMB VII with concrete recommendations.

GOVERNANCE, RULE OF LAW AND HUMAN RIGHTS PILLAR

2. Elections

- 2.1 Urgent efforts, including by the Elections Working Group, are required so that within the next five months, the electoral cycle is simplified and rationalized, electoral system issues resolved, financial resources secured and appropriate legal changes undertaken.

3. Anti-Corruption

- 3.1 Benchmark 2.1 Anti-Corruption: A time extension of six months is recommended to enable the National Assembly (September 2007/Mizan 1386) to ratify the UN Convention against Corruption. Prioritized legislation will be adopted in line with the UNCAC.
- 3.2 A National Anti-Corruption Strategy should be drafted by the Government, by October 2007 (Mizan 1386), building on the recent "Roadmap" report and action plan prepared. Adequate support from the international community should be secured. The complementary roles of key national anti-corruption actors (e.g., Supreme Court, the General Independent Administration Against Corruption (GIAAC), Attorney-General's Office (AGO) and the Ministry of Justice (MoJ) should be clarified in the Strategy.

- 3.3 The JCMB endorses recent decisions by the government on policies against corruption and calls on the GoA to implement those decisions by following up on audit findings, establishing complaint mechanisms, expanding the role of Afghanistan Reconstruction Trust Fund (ARTF) in monitoring, and increasing transparency in procurement.

4. Rule of Law and Human Rights

- 4.1 The call for strengthening the capacity of the Ministry of Justice (*Taqnin*) from JCMB-IV was not answered and is therefore re-iterated to ensure an efficient processing of legislation requirements to meet the Afghanistan Compact, including the UNCAC obligations.
- 4.2 A detailed assessment of the costs and sustainability of different legal aid-schemes is required to assist the GoA in developing a vision on legal aid.
- 4.3 A concerted and coordinated approach to professional training activities should be developed in consultation with the justice institutions and university faculties of Sharia and Law.
- 4.4 All stakeholders should accelerate efforts to ensure that a comprehensive sector strategy, within the ANDS framework, will be prepared and presented at the Justice Conference in Rome in July 2007 (Saratan 1386).
- 4.5 GoA should launch implementation of the work plan on transitional justice enacted by presidential decree on 10 December 2006 (19 Qaws 1385), in order to lay the basis for national reconciliation and the end of impunity. As part of the reforms of the security sector, measures should be taken to safeguard against arbitrary arrest and the abuse of detainees or prisoners.
- 4.6 As freedom of the media is essential to democracy, the GoA should take measures to implement the Media Law in a way consistent with its international obligations and the constitution.

5. Governance

- 5.1 An additional set of benchmarks to strengthen civil administration, in parallel to current benchmarks to strengthen financial management, is needed. These benchmarks would serve to (1) refocus coordinated efforts on long-term institutional changes necessary to civil administration reform, and (2) to assist the co-ordination efforts undertaken to implement these strategies.
- 5.2 The Government-international community Sub-National Governance Working Group in Kabul should serve as a catalyst for ensuring Government-led coordination in the provision of essential services and law enforcement at the provincial and district levels.
- 5.3 The backlog of legislation before the National Assembly is a growing concern. The Government and international community must work together to address this.

SOCIAL AND ECONOMIC DEVELOPMENT PILLAR

6. Integrated Planning

- 6.1 The development of Provincial Development Plans (PDPs) shall follow the ANDS framework and timelines. Individual donor assistance for provincial development, including assistance provided by Provincial Reconstruction Teams (PRTs) and other military actors, shall conform to the PDPs.

7. Infrastructure and Natural Resources

- 7.1 The Civil Aviation Law's passage should be passed by the end of 1386 (March 2008), so that the formation of an independent civil aviation regulatory body can begin without delay. The decision to privatize Ariana Afghan Airlines should be implemented as quickly as possible.
- 7.2 Donors and the Government should intensify efforts to increase the Ministry of Transportation and Civil Aviation's (MoTCA) capacity to administer a civil aviation oversight system to International Civil Aviation Organization (ICAO) standards, to include safety and security oversight. MoTCA's capacity to execute development projects must also be improved.
- 7.3 Ensure complete commercialization of the public electricity utility Da Afghanistan Breshna Moassessa (DABM) in order to strengthen cost recovery needed for a healthy power sector.
- 7.4 Address Kabul's growing power requirements by supporting upgrade and expansion of the generation, transmission and distribution systems, including enhanced coordination of the North East Power Systems (NEPS) project.
- 7.5 Amend the Hydrocarbons Law and finalize and implement regulations relating to the Hydrocarbons Law and Minerals Law.

8. Economic Governance and Private Sector

- 8.1 Accelerate efforts to improve the environment for private sector growth, including submission to Parliament of six pending draft commercial laws (Contracts Law, Registration of Foreign Patents Act, Trademarks Law, Law on Copyright, Secured Transactions Law, Negotiable Instruments)

9. Regional Economic Cooperation

- 9.1 Strengthen mechanisms for expanding regional economic and commercial cooperation.

10. Health

- 10.1 All health services undertaken by donors, non-governmental organizations and international military actors must be conducted in consultation with, and within the framework of the Ministry of Public Health (MoPH) in order to achieve better results and improve coordination.

11. Education

- 11.1 The Ministries of Education (MoE) and Higher Education (MoHE) should be provided with additional resources required to meet the Primary, Secondary, and Higher Education benchmarks (4.1 and 4.2). International support for the new National Education Strategy is also strongly requested.

12. Refugees

- 12.1 To facilitate further policy discussion on returnee issues, the Government of Afghanistan and all appropriate stakeholders are urged to form a working group on refugees within the ANDS Consultative Group structure. This working group should ensure that returnee issues receive adequate attention at senior government and international community levels.
- 12.2 Bilateral co-operation between the Islamic Republics of Afghanistan and Pakistan, as well as the Islamic Republics of Afghanistan and Iran should be enhanced through both regional and bilateral frameworks to manage cross-border movements and facilitate dialogue on managing labor flows according to the Compact benchmark.

13. Strengthening the JCMB and Compact Implementation

- 13.1 JCMB/ANDS Focal Points within the civil service should be given high priority for donor supported capacity development assistance (e.g., leadership mentoring).
- 13.2 The development of a comprehensive JCMB monitoring framework requires the establishment of a formal operational relationship between the Central Statistics Office (CSO), and the ANDS/JCMB Secretariats. This should entail the nomination of focal points in the aforementioned institutions in addition to line ministries/agencies which are engaged in data collection. Led by the CSO, focal points will ensure sufficient cooperation in meeting data collection and analysis requirements, and in building capacity for these activities across ministries/agencies. Information available from ISAF's Afghanistan's Country Stability Picture (ACSP) should be integrated into ANDS working groups, and shared with the CSO.
- 13.3 A comprehensive JCMB communications strategy, within the ANDS framework, with sufficient technical and financial resources, should be prepared to enhance greater understanding and participation in the JCMB process.
- 13.4 Individual JCMB members agree to provide enhanced political, financial, and technical support to drive monitoring, reporting, and policy-making through the JCMB mechanism. Specifically, this may entail reinforced staffing in support of JCMB Consultative and Working Groups, as well as increased technical and financial assistance for key sections of government positioned to further the work and decisions of the JCMB.
- 13.5 The Co-Chairs shall convene plenary meetings of the JCMB with the goal of meeting four times a year. Two of such four meetings may be held outside Afghanistan, of which one would be in the format of a high-level conference.
- 13.6 The JCMB shall prepare only one report a year, the Annual Report, on progress on implementation of the Afghanistan Compact.